

COPY

FULL AND FINAL SETTLEMENT AGREEMENT

This Agreement is made as of the 4 day of April 2002 by Branford River Lobster LLC, a Connecticut limited liability company, Nicholas J. Crismale of 75 Kimberly Drive, Guilford, Connecticut and Michael Guarniere of 11 Pleasant Drive, North Haven, Connecticut (all of whom are hereafter collectively called "Branford River Lobster") with Islander East Pipeline Company, L.L.C. a Delaware limited liability company having its principal office at 5400 Westheimer Court, Houston, Texas (hereinafter called "Islander East").

Whereas, Islander East on June 15, 2001 applied for a Certificate of Public Convenience and Necessity ("Certificate") from the Federal Energy Regulatory Commission ("FERC") in Docket No. CP01-384-000 to construct and operate a single interstate natural gas transmission pipeline from North Haven, Connecticut across Long Island Sound to Brookhaven, New York, (hereinafter called "Project");

Whereas, Islander East on December 7, 2001 applied for a Certificate of Environmental Compatibility and Public Need from the Connecticut Siting Council (hereinafter called "CSC") in Docket No. 221;

Whereas, Branford River Lobster leases Oyster Grounds No. 555 containing 3,336.4 acres, more or less, by virtue of a lease dated February 23, 2001 for the purpose of planting and cultivating shellfish in and upon the grounds more particularly described in Exhibit A, the Lease, attached hereto and made a part hereof (hereinafter called the "Grounds");

Whereas, Islander East proposes to construct the Project pursuant to the FERC Certificate under portions of the Grounds and will during the period of construction temporarily disrupt the use of the Grounds by Branford River Lobster;

Whereas, the construction by Islander East of the Project under a specified area of the Grounds may temporarily result in damages to the shellfish resources of Branford River Lobster;

Whereas, Branford River Lobster and Islander East, after independent investigation and study by each, now wish to provide for the temporary interruption of Branford River Lobster's use of the Grounds and the liquidation of Branford River Lobster's damages resulting from Islander East's activities in connection with construction of the Project;

Now, therefore, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. Branford River Lobster consents and agrees that for the period of construction of the Project which shall not exceed six (6) months in duration, unless extended as provided hereunder, (the "Construction Period") Branford River Lobster will not make any use of the temporary "Primary Work Area" to be used by Islander East. Said Primary Work Area is that portion of the Grounds within one hundred (100) feet on either side of the intended location of the pipeline as described in the Certificate and as currently shown on Exhibit B, hereinafter described, attached hereto and made a part hereof. Branford River Lobster will not make any use of such Primary Work Area during the Construction Period, including without limit, the seeding, and cultivation or harvesting of shellfish therein. During the Construction Period, Islander East and its agents, employees, contractors and subcontractors may construct and install a buried pipeline and all of the

appurtenances or facilities useful or convenient in the connection with or incidental thereto, for the transportation of gaseous or liquid hydrocarbons and any by-product thereof (such pipeline, appurtenances and facilities are hereinafter referred to as the "Pipeline") under and across the Grounds in the approximate location shown on Exhibit B, a map titled "Long Island Sound Crossing, New York To Connecticut, Connecticut Area Map, Drawing No. MAP-03, dated, 9-5-01", including the creation of a trench in which the Pipeline will be buried, and the filling of the same after the completion of construction of the Pipeline. Islander East shall have the right to extend the Construction Period on a month to month basis upon providing thirty (30) days advance written notice to Branford River Lobster as provided in Paragraph 11. Said extensions shall not exceed six (6) additional months.

2. Branford River Lobster shall retain the right to seed, cultivate or harvest shellfish in the portion of the Grounds within the "Work Area", as hereinafter defined, excepting therefrom the Primary Work Area, during the Construction Period, so long as such activity does not in any way interfere with the pipeline construction. Said Work Area is all that area between the lines labeled as Anchor Corridor Sweep on Exhibit B, within the Grounds.
3. Islander East will pay Branford River Lobster a "Harvest Payment" in the amount of Two Hundred Thousand Dollars (\$200,000) to remove shellfish from the Primary Work Area. Branford River Lobster will commence this work after the execution of this Agreement, and will complete it prior to the Construction Period. The shellfish so removed shall be, at Branford River Lobster's option, either harvested or relocated outside the Work Area. Islander East shall give Branford River Lobster at least sixty (60) days prior notice of the date construction will commence within the Grounds. Islander East shall make the Harvest Payment upon receipt of an invoice from Branford River Lobster stating that the work has been completed. Islander East's obligation to make the Harvest Payment shall be conditioned only on the performance of the work and receipt of such invoice. In addition, Islander East agrees to retain Branford River Lobster to seed clams in the Primary Work Area, within the Grounds, after completion of construction activities and Branford River Lobster agrees to do so including purchasing, hauling and planting the seed clams. Islander East shall pay Branford River Lobster Three Hundred Thousand Dollars, (\$300,000.00) for this upon receipt of an invoice from Branford River Lobster stating that the work has been completed. Said invoice shall include certification that the seed clams are not prohibited in the off-shore waters of the State of Connecticut, and shall be in the amount of approximately 11,000,000, which Branford River Lobster estimates to be sufficient in numbers to re-seed the Primary Work Area to a density equal to or reasonably exceeding that which existed prior to harvesting said Primary Work area with allowances for loss of juvenile clams prior to maturity.
4. Upon issuance of the FERC Certificate and all other necessary regulatory approvals and acceptance of the same by Islander East, Islander East shall pay Branford River Lobster the amount of One Million Nine Hundred Thirty One Thousand Dollars (\$1,931,000.00), not including any payments described in Paragraph 3. Payment pursuant to this Paragraph 4 shall be made within sixty (60) days of the date of acceptance by Islander East of the Certificate provided that all appeal periods applicable to the Certificate have expired and no request for rehearing or appeal concerning the Certificate and all necessary regulatory approvals have been received. If any request for rehearing or appeal is filed for the Certificate, the payments set forth in Paragraph 4 shall be due after all such appeals have been concluded and the Certificate is valid and unappealable, unless

Islander East shall determine to start construction before the conclusion of such appeals in which case payment under this paragraph will be due five (5) days prior to the commencement of construction within the Work Area. Should Islander East extend the Construction Period, as provided in Paragraph 1, past the initial six (6) month period, Islander East shall pay Branford River Lobster Five Thousand Dollars, (\$5,000.00) for each month said Construction Period is extended. Payments for any extensions shall be made in advance and be included with each notice of extension. Islander East shall not be obligated to make the payments set forth in this Paragraph 4 if prior to the date on which payment hereunder is to be made Islander East notifies Branford River Lobster, as set forth in Paragraph 11, that it has abandoned the Project.

5. The payments set forth in Paragraph 3 and 4 are premised upon approximately 2,498 linear feet of pipeline being installed in the Grounds by plow, jet or other approved trenching method, which figure has been mutually agreed to by Islander East and Branford River Lobster as a base route length ("Base Route Calculation") for determining payment by Islander East to Branford River Lobster. Said Base Route is shown on a map being attached to this Agreement as Exhibit B. Following installation of the pipeline, Islander East shall provide Branford River Lobster with an "as built" survey of the coordinates of the pipeline as well as a map that uses global positioning system coordinates to depict the location of the pipeline within the Grounds, which map and survey shall later be attached to this Agreement as Exhibit C (initialed by all). If the actual pipeline length in the Grounds as depicted in the "as built" survey and map differs from 2,498 linear feet, the payment amounts set forth in Paragraphs 3 and 4, excepting therefrom the Harvest Payment, shall be adjusted upward or downward in proportion to the actual pipeline length in the Grounds of Branford River Lobster compared to the 2,498 linear feet (the "Length Adjustment"). For example, if the pipeline length is 1,000 linear feet in the Branford River Lobster Grounds the payment by Islander East pursuant to this Section 5 shall be $(1,000/2,498) \times (\$1,931,000.00) = \$773,000.00$; if the pipeline is 2,650 linear feet, the payment shall be $(2,650/2,498) \times (\$1,931,000.00) = \$2,048,500.00$. The Length Adjustment shall not apply to increases in length resulting from Islander East accommodating a written routing request by Branford River Lobster. Branford River Lobster represents and agrees that none of their existing grounds would require re-routing of the proposed route of the pipeline as shown on the map in Exhibit B. If the pipeline is ordered to be installed beneath the Grounds by the horizontal directional drill ("HDD") method this agreement will have no force or effect.
6. Conditioned upon receipt of the payments provided by Paragraphs 3 and 4 Branford River Lobster hereby releases and discharges Islander East and its successors, assigns, agents, employees, contractors and subcontractors from all actions, cause of action, debts, sums of money, agreements, promises, trespasses, damages, judgements, executions, claims and demands whatsoever, in law, admiralty or equity, which Branford River Lobster ever had, now has or hereafter can, shall or may have with respect to any damage to any shellfish grounds shown on Exhibit B or in the FERC Certificate hereto, to shellfish thereon, or to any damage or interruption to its commercial fishing activities by reason of any matter, cause or thing whatsoever, incident to the construction of the Pipeline, and any acts in connection therewith, including, without limit, loss of or damage to clams or other forms of shellfish that Branford River Lobster may have claim to, now or hereafter, loss of profits from Branford River Lobster's shellfish, or commercial fishing operations, or damage to or decreased productivity therefrom. This release shall not apply, however to damages caused by any event occurring after the pipeline is put in service.

7. Branford River Lobster represents and warrants to Islander East that (I) Branford River Lobster is the owner of the rights to harvest shellfish on the Grounds and has a valid lease for planting and cultivating shellfish, free and clear of defects and encumbrances; (II) it has not subleased or assigned such rights; (III) it has good right and lawful authority to enter into this Agreement.
8. This Agreement contains the entire and only agreement between the parties concerning compensation for, and mitigation of, damage to Grounds, and no oral statements or representations of prior written matter not contained in this instrument shall have any force and effect. This Agreement may be only changed, modified or discharged by an agreement in writing executed by the parties hereto.
9. If any term, covenant, condition or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to the person or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant and provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.
10. Each of the parties has been advised by legal counsel of their own choice, with respect to the negotiation, construction and execution of this Agreement, and neither is relying on any representations made by the other concerning the legal effect of any portion hereof. Branford River Lobster will, at any time, at the request of Islander East promptly execute an instrument, in recordable form and in form agreeable to Branford River Lobster, which will constitute a short form of notice of this Agreement setting forth a description of the Grounds, terms of this Agreement and such other provisions and Islander East or Branford River Lobster may request. Islander East or Branford River Lobster may at its option, record in such records as they, jointly or severally deem appropriate, such short form notice of this Agreement.
11. All invoices, notices and other communications hereunder shall be in writing and may be delivered personally, sent by nationally recognized overnight courier or mailed by registered or certified mail, postage pre-paid, return receipt requested. Any such notice sent by overnight courier shall be deemed given one business day after being delivered to the nationally recognized overnight courier for next day business delivery, any such notice sent by registered or certified mail shall be deemed given on the days such receipt is acknowledged or refused. Notice shall be sent as follows:

If to Islander East, addressed to:

Gene Muhlherr, Project Manager
Islander East Pipeline Company, L.L.C.
454 East Main Street
Branford, CT 06405

With a copy to: Thomas L. Stanton, Esquire
Islander East Pipeline Company, L.L.C.
1284 Soldiers Field Road
Boston, MA 02135

Nicholas J. Crismale, Managing Agent
Branford River Lobster, LLC
75 Kimberly Drive
Guilford, CT 06437

Michael Guarniere
11 Pleasant Drive
North Haven, CT 06473

- In Witness Whereof, the parties hereto have set their hands as of this day and year above written.

By Nicholas J. Crismale
Nicholas J. Crismale Its Managing Agent
Hereunto Duly Authorized

By Nicholas J. Crismale
Nicholas J. Crismale

D. Patrick Whitty

East Pipeline Company, L.L.C., Operator
for Islander East Pipeline Company, L.L.C.

CORPORATE

STATE OF CONNECTICUT

ss. *Branford*
COUNTY OF NEW HAVEN

dated this 4th day of April, 2002

Personally appeared Nicholas J. Crismale, the Managing Agent of Branford River Lobster, LLC, a limited liability company, signer of the foregoing instrument who acknowledged the same to be his free act and deed as such Managing Agent and the free act and deed of said limited liability company, before me.

Michael G. DeMoio
Notary Public

Michael G. DeMoio
Notary Public, Connecticut
My Commission Expires April 30, 2005

INDIVIDUAL

STATE OF CONNECTICUT

ss. *Branford*
COUNTY OF NEW HAVEN

dated this 4th day of April, 2002

Personally appeared Nicholas J. Crismale, signer of the foregoing instrument and acknowledged the same to be his free act and deed before me.

Michael G. DeMoio
Notary Public

Michael G. DeMoio
Notary Public, Connecticut
My Commission Expires April 30, 2005

INDIVIDUAL

STATE OF CONNECTICUT

ss. *Branford*
COUNTY OF NEW HAVEN

dated this 4th day of April, 2002

Personally appeared Michael Guarniere, signer of the foregoing instrument and acknowledged the same to be his free act and deed before me.

Michael G. DeMoio
Notary Public

Michael G. DeMoio
Notary Public, Connecticut
My Commission Expires April 30, 2005

STATE OF MASSACHUSETTES

ss.

dated this 2nd day of April, 2002

COUNTY OF SUFFOLK

Personally appeared D. Patrick Whitty, Vice President of Duke Energy Islander East Pipeline Company, L.L.C., a limited liability company, Operator for Islander East Pipeline Company, L.L.C., signer of the foregoing instrument who acknowledged the same to be his free act and deed as such Vice President and the free act and deed of said limited liability company, before me.



Notary Public

My Commission Expires: July 1, 2005

LD9174

**ADDENDUM TO FULL AND FINAL SETTLEMENT AGREEMENT ("AGREEMENT")
BY AND BETWEEN BRANFORD RIVER LOBSTER, L.L.C. ("BRANFORD RIVER
LOBSTER") AND ISLANDER EAST PIPELINE COMPANY, L.L.C. ("ISLANDER
EAST")**

The parties hereto agrees as follows:

1. Islander East shall not commence any construction work of any kind or nature within Oyster Grounds No. 555 unless and until both the "Harvest Payment" described in Paragraph 3 of the Agreement and all payments described in Paragraph 4 of the Agreement are paid in full in good funds to Branford River Lobster, subject to any applicable adjustments and limitations described in Paragraph 5 of the Agreement or elsewhere in the Agreement.
2. It is understood and agreed that Branford River Lobster will suffer damages for which its remedy at law would be inadequate if Islander East were to commence construction within Oyster Grounds No. 555 without making the payments called for in Paragraph 1 of this Addendum. Therefore, the parties agree that, in addition to any remedies at law available to Branford River Lobster, Branford River Lobster shall be entitled to obtain immediate, temporary and permanent injunctive relief to prevent any construction activity within Oyster Grounds No. 555 until the payments called for in Paragraph 1 of this Addendum are paid in full subject to any applicable adjustments and limitations described in Paragraph 5 of the Agreement or elsewhere in the Agreement.
3. In the event any payments called for in the Agreement are not made within thirty days after such payment first becomes due and payable or in the event that Islander East commences construction work within Oyster Grounds No. 555 without first making the payments described in Paragraph 1 of this Addendum, Branford River Lobster shall be entitled, without the necessity of any notice or demand whatsoever, to take immediate legal action to collect any such payment together with all reasonable legal fees and costs incurred in the collection effort together with interest at the rate of ten per cent per annum (10.00%) from the original due date to the date payment is received by Branford River Lobster. The prevailing party in any action to enforce this Agreement shall be entitled to recover its reasonable legal fees and costs. Before any action may be brought by any party hereto based on a breach of this Agreement, other than a collection action based on a default in payments as described above or other than an action to enjoin construction work as described in Paragraphs 1 and 2 of this Addendum, the non-defaulting party shall first provide written notice to the other party which describes the claimed default in detail and which allows the defaulting party thirty (30) days to cure such default.
4. Any action to enforce this Agreement shall be brought and prosecuted only in a state or federal court located in the City of New Haven, Connecticut.

5 EACH PARTY HERETO ACKNOWLEDGES THAT THIS TRANSACTION IS A COMMERCIAL TRANSACTION AND HEREBY WAIVES ALL RIGHTS TO PRIOR NOTICE OF AND A PRIOR HEARING ON THE RIGHT OF THE OTHER PARTY HERETO TO ANY PREJUDGMENT REMEDY INCLUDING SUCH RIGHTS ARISING UNDER SECTIONS 52-278a THROUGH 52-278g OF THE CONNECTICUT GENERAL STATUTES. A PREJUDGMENT REMEDY ENABLES A PARTY BY WAY OF ATTACHMENT, FOREIGN ATTACHMENT, GARNISHMENT OR REPLEVIN TO DEPRIVE A PARTY OF, OR AFFECT THE USE, POSSESSION OR ENJOYMENT BY A PARTY OF, ANY OF ITS PROPERTY AT ANY TIME PRIOR TO JUDGMENT IN ANY LITIGATION INSTITUTED IN CONNECTION WITH THIS TRANSACTION. EACH UNDERSIGNED WAIVES ANY RIGHT TO REQUIRE THE OTHER TO POST A BOND IN CONNECTION WITH ANY SUCH PREJUDGMENT REMEDY.

Signed, sealed and delivered on April 4, 2002

Witnessed by:

[Signature]

Branford River Lobster, L.L.C.

By: [Signature]
Nicholas J. Crismale, Manager

[Signature]
Nicholas J. Crismale

[Signature]
Michael Guarniere

[Signature]
[Signature]

Islander East Pipeline Company, L.L.C.

By: [Signature] [Signature]
D. Patrick Whitty, Vice-President, duly authorized
Duke Energy Islander East Pipeline
Company, L.L.C., Operator for Islander
East Pipeline Company, L.L.C.